

**WATER ALLOCATION
PROGRAM ADVISORY COMMITTEE
Meeting Proceedings
Thursday, December 18, 2003
9:00 AM-11:55 AM**

1. Opening Remarks

Ms. Kathleen Crawley, Staff Director, Rhode Island Water Resources Board (WRB) called the Water Allocation Program Advisory Committee (WAPAC) meeting to order at 9:10. She welcomed participants to the meeting, and noted that M. Paul Sams, WRB General Manager, was not able to attend as he is at home recovering from minor surgery. She thanked Ms. Eugenia Marks for arranging the use of the Audubon Society of RI meeting room for today's meeting. Kathy stated Mr. Juan Mariscal will be the facilitator of today's business. The other WRB staff will provide supportive functions (Connie McGreavy - newsprint meeting synopsis; Beverly O'Keefe: meeting minutes; and Kathy Crawley – computer-power point projector). She welcomed Mr. Mariscal and passed the meeting over to him.

2. Business

After the brief introductions from each attendee, Mr. Mariscal stated the WAPAC has worked hard for approximately 2 years, and all members are thanked for their interest and contributions. He announced that today's meeting will review the recommendations and identify consensus on specific recommendations that will be forwarded to the WRB. Mr. Mariscal referenced the documents that support today's agenda:

- 1) Handout #1: 12/18/03 WAPAC Meeting: Purpose and Goals
- 2) Handout #2: Thematic Findings, Page 5 and "Full-Text" Listing of "Top 21" Priority Recommendations
- 3) Handout #3: WAPAC Member Comments Listed

He noted there is a strong need to develop a clear sense of what the water allocation program priorities are for the state and that today's meeting will identify some of these top priorities for the WRB to consider. After today's meeting, the WAPAC top priority recommendation, consensus items, and minority reports will be assembled into a binder, and forwarded to the WRB prior to a Strategic Planning Workshop that will be held on January 29, 2004. During the workshop all recommendations will be presented to the WRB by the WAPAC leads as information to inform discussion at the February 9, 2004 WRB meeting. Juan noted for the purpose of today's meeting, the definition of "consensus" is a majority of the members agree with a stated position. This definition will be used in setting the recommendations that go forward to the WRB. He concluded by saying that additional opportunities will occur over time to continue further discussion on specific recommendations. Mr. Mariscal concluded by stating that the identification of the recommendations and program priorities based on the "21 Priority Recommendations" is the conclusion of Phase I of the Water Allocation Program.

Mr. Mariscal reviewed the agenda and general meeting rules (Handout #1) and requested that members turn to Handout #2 to begin the discussion on the 21 priority recommendations. He noted that four recommendations (#3, #10, #11, and #12) from the "21" gained consensus at the November meeting, and were passed on to the WRB at the December WRB meeting. For example, one of the recommendations made at last month's meeting stated that the Minority Report filed by the members of farming community will be included with the recommendation, and this was passed forward to the WRB..

Mr. Mariscal began the facilitated discussion noting recommendations have been sorted under five major elements that include: 1) data elements; 2) management and regulatory elements; 3) financial elements; 4) resource conservation elements; and 5) outreach elements. He facilitated discussion and consensus building on the five data elements identifying the first recommendation to be discussed as recommendation #3 - "major suppliers report monthly data annually." He noted that the committee had

reached consensus during the November meeting and asked if there were additional comments on this item. There being no discussion, the recommendation was sent forward.

Ms. Sandra Whitehouse noted the recommendations should be realistic as there may be a cost in implementation. Mr. Henry Meyer noted that it appears that most expenses will be born by the utility companies, and at this point the discussion will only involve the preparation of a simple Excel spreadsheet. He stated his belief that this would not be a significant cost to the state. Smaller systems may lack computer support but that most of the larger systems have the capability at this time. Ms. Anne Veeger, Lead, Water Use Reporting Committee, stated the intent of the committee was to develop a digitized database so that data does not have to be taken from hard copy pieces of paper. Thus, the recommendation will impact the current infrastructure in that a person, or part of a person must be available to manage the database. Ms. Kathleen Crawley stated that this recommendation would identify the gaps in the current basin studies and NEWUD data collection collected over time. Ms. Scott agreed stating that financial support for data management may be needed, and a plan on how to address financial support may be developed at the next meeting. Mr. Harold Ward summarized by stating that the intent is to create a dynamic database and the logistic specifics will need to be discussed over time. Mr. Mariscal stated that the details of cost and other issues will need to be worked out and that the WRB will make these difficult choices and who will do the work – DOH, DEM, or WRB at a later time, if the recommendation is approved. Ms. Veeger confirmed that the final report of the committee will include detailed recommendations that include fiscal considerations. Mr. John O'Brien noted that some of this discussion is already covered under regulatory statute.

The second item to be discussed – recommendation #4 - “maintain/expand the stream gage network” was presented and discussed by Ms. Alicia Good who noted that the committee plans to submit a detailed report that will include financial information. The Department of Environmental Management (DEM) has supported these costs in the past and every effort will be made to continue to support this cost in the future. After a brief discussion, consensus was reached.

The third priority item – recommendation #6 - “Information gathering” was presented by Ms. Julie Lundgren who noted that the only additional item to be added was the phrase “including but not limited to” enhanced stream flow included under the stream gage network recommendation. Members discussed in detail the information gathering recommendation. Ms. Scott recommended a consolidation of similar recommendations and referred to comments in Handout #3 from the Department of Environmental Management on a sorting of the entire “84” recommendations into similar groups. For example, the recommendation “using NEWUDS, determine an accurate method to calculate OOBT for each basin” should be included in the “information gathering” section. Ms. Veeger noted that the list is not definitive and limiting but rather examples of the kinds of information that should be collected and available. Mr. Herb Johnson recommended that safe yield be redefined for the state so that it is related to minimum stream flow. Ms. Lundgren recommended that the heading be changed to read “Information Gathering and Analysis.” Ms. Scott noted that there were three other recommendations on safe yield (central authority of safe yield, refine definition of safe yield, and recalculation of safe yield) that should also be included under this recommendation. After further discussion, consensus was reached to change the wording of the recommendation and to include the additional kinds of information.

The next item to be considered – recommendation #10 - “major suppliers categorize use quarterly” was approved for consensus during the November meeting, and was a Stream Flow recommendation. Ms. Veeger noted that this recommendation should be included with the “major reporting” recommendation. There being no discussion, consensus was reached.

Mr. Mariscal facilitated the discussion on the final data element - recommendation #11 – “Water Use Reporting over a Threshold.” Ms. Crawley questioned if the word “mandatory” should be omitted. Mr. Bettencourt responded that the farming community objects to “mandatory” reporting, but there is no objection to “voluntary” reporting. Ms. Scott noted that there is a Water Use Reporting committee recommendation to conduct research to develop a range of coefficients for water use over a threshold, and

that this should be included in the recommendation based on her review of the full text. Ms. Crawley stated the recommendation (under #9) did go forward to the WRB in November but that this language would be dropped into this recommendation. Mr. Meyer objected by stating that what goes forward should be doable, and the more that is given to an agency to do, the less is done. After discussion, Ms. Crawley noted that starting with voluntary water reporting will help to determine what information is needed as there is a whole range of options to consider. Some of these options are easy to accomplish (i.e. requesting water suppliers supply information), while other options will be more difficult to accomplish (i.e. irrigation of lawns). She stated, in her opinion, the information can be assembled and refined in order to determine what more is needed. Ms. Good agreed stating the recommendation can be put forward as an element of a work plan, and a phased in approach can be used to work out what is then needed. Ms. Judy Doerner also agreed stating that we must remember Phase I is what we can accomplish now. Ms. Alicia Good summarized the discussion by stating that it is important to evaluate developing coefficients in a phased approach, conducting research and then include the rest of the language in the recommendations considering the elements that are in the work plan and the recommendations. After discussion, this was reconfirmed by the members. Ms. Veeger recommended that the language be modified, and all agreed to this recommendation. Ms. Crawley questioned if well completion data was to be added in this section. Ms. Veeger stated that no, but that perhaps this belonged under the information gathering recommendation #6.

The discussion moved on to a review of the management and regulatory element recommendations. Mr. Mariscal referred to recommendation #5 – “Central authority to prove water availability” and recommended that this item be tabled until Mr. Dale Thompson, Committee Lead, Water Rights Committee was available for discussion. Members agreed to defer discussion on this recommendation.

Mr. Mariscal facilitated a discussion on recommendation #7 – “Seasonal Rates and/or Drought Surcharges.” Mr. Guy Lefebvre stated that there should be surcharges and a way to implement these surcharges, especially in times of drought. Mr. Al Bettencourt noted that oftentimes surcharges go into the General Fund, and are not available to the water supplier who experience decreased revenue during drought. Surcharges should be used to support the water suppliers, and not deposited into the General Funds. It was recommended that perhaps a 70/30 surcharge split would be equitable to both the water suppliers and the State. Mr. Henry Meyer stated in his view there appears to be two issues – whether the State will impose a water allocation fee or whether a local water supplier will impose, as Denver does, seasonal or drought rate. A seasonal or drought rate surcharge would reflect the water suppliers’ need to support cash flow. He noted that Kingston has restructured the water rate fees to manage this discrepancy. In his opinion, the recommendation seems to be addressing the water supplier and not a state mandated fee. Guy affirmed that the recommendation was to assist water suppliers with the short flow of cash seasonally or during a drought. Ms. Scott recommended a consolidation of the rate recommendations into one heading so that a total rate picture can be viewed to support conservation efforts. Mr. John O’Brien stated that this recommendation is enabling for the water suppliers, that the phrase “could be used for monitoring” be eliminated and that perhaps legislation should be brought forward to assist the water suppliers. Several members discussed the benefits and problems associated with standardized billing to support conservation efforts using the example of electric bills. Mr. Meyer noted that each utility conducted business using utility-specific methods and process. The recapturing of cost differs from utility to utility and there is a danger in not having flat fees. Mr. Mariscal clarified that standardization is defined as a standardization of language not fees. Mr. Meyer recommended that the language state “encourage” and not “mandate.”

Ms. Veeger noted one of the recommendations stated that major water suppliers must categorize use quarterly and that will be mandated, so we must make sure that we are not making a recommendation here that is contrary to another recommendation. For example, quarterly billing should coincide with quarterly data reporting. Mr. Stamp noted that individual authorities should be able to make their own decisions. Ms. Harriet Powell agreed, asking how much more regulation, including that conducted by the Public Utility Commission, is going to be added and required of the water suppliers? Mr. Mariscal stated

what he is trying to understand from the group is whether there are some components beyond the evaluation phase and should in fact be full recommendations. Mr. O'Brien noted that this recommendation is dealing with a conservation issue, while recommendation #7 is dealing with a basic revenue issue for the utility. Ms. Scott recommended that looking at alternative billing structures would be acceptable

Ms. Crawley noted that she added the statement "continue to evaluate alternative rate structures for water and sewer billing that promote conservation and protect water supplies during drought," to support the idea that during droughts water suppliers need to ramp up conservation efforts, and that there are revenue implications. This will specifically address the revenue implications for the water suppliers. After further discussion, consensus was reached on recommendation #7 with the addition that an objection was raised concerning the deposit of collected fees in the General Fund, and the collection of surcharges would be "enabled" and not "mandatory." The statement "surcharge could be used for monitoring" was removed.

Members next discussed recommendation #8 – "standardize language in bills and encourage quarterly billing frequency." Mr. Mariscal facilitated an active discussion surrounding this recommendation submitted by the Rates Committee. Mr. Meyer noted that major systems that currently submit plans to the WRB should be supplying quarterly information in order to meet their information requirements and by 2010 every customer will be billed on a quarterly basis. Mr. Mariscal referenced the statement made earlier by Mr. O'Brien that this recommendation was a conservation effort to inform customers. Therefore, the question is whether the recommendation should be a mandate or water suppliers should be encouraged to standardize and use quarterly billing. Ms. Veegar stated that the recommendation would increase the expense of billing customers for the smaller water suppliers. Mr. Meyer disagreed noting that the expense would be in data collection as he has spent over \$128,000 in two years to accommodate the requirements. After lengthy discussion, and notable lack of consensus, Mr. Mariscal polled the group to measure the level of disagreement. A vote was taken on standardizing bills (mandatory – 9 votes; encourage – 5 votes; abstentions – 2 votes) and billing frequency was then taken (mandatory - 8 votes; encourage – 9 votes). It was noted that a billing frequency of less than quarterly may contradict the intent of the recommendation.

Mr. Mariscal led the discussion on recommendation #9 – "eliminate flat or fixed rates." He asked if members supported the recommendation as it is written. Ms. Whitehouse responded by asking if this recommendation was already part of the State Guide Plan, and if it was, why was this not part of standard practice? Members noted that many of the WAPAC recommendations (with the exception of recommendation #5 and #16) are identified in the State Guide Plans with the intention that these elements will be implemented over a period of time. After discussion, members reached a consensus. It was noted that "flat" and "fixed" fees need to be defined since a basic service fee (which is acceptable) is a flat or fixed fee. Following consensus Mr. Mariscal called a 10 minute break starting at 11:07 am.

Members reconvened at 11:20. Mr. Mariscal noted that today's business would not be concluded by 12 Noon, and suggested that another meeting be held to complete discussion on the remaining priority recommendations. He noted the next monthly meeting was scheduled for January 13 but recommended that the WAPAC meet earlier to complete review of the recommendations. After discussion, members agreed to meet Thursday, January 8 at a place to be determined.

The facilitator asked for consensus on recommendation #17 – "Modify water rates structure – surface water." Mr. Mariscal noted that this recommendation came out of the Rates Structure committee. It was recommended that discussion on this item be held until the Mr. Dale Thompson, committee lead, was available to discuss this recommendation. Members agreed to hold discussion until the next meeting.

Mr. Mariscal opened the discussion on recommendation #18 – "statewide water use permit system," for groundwater to help control withdrawals from a basin. Mr. Al Bettencourt stated that he opposed mandatory reporting. Ms. Good stated that the evaluation of existing authority should be

completed prior to establishing a new governing authority. Mr. Meyer stated that the language of this recommendation was the language used by one individual who is not at today's meeting, stating agreement with Ms. Good that some evaluation language was needed as opposed to creating a new governing authority. Ms. Doerner recommended that an evaluation of what is currently in place be conducted prior to implementing change. Mr. Stamp stated that he thinks singling out a few users is discrimination. Ms. Whitehouse questioned who would do the analysis? Ms. Veeger agreed recommending what are the permitting systems, what are the authorities that are currently potential permits that people have to potentially acquire prior to install a well – get all of that information on the table, and then a matrix should be prepared laying out what is current as there is no standard to go by. Ms. Good agreed that laying out the whole structure (a management scheme that includes allocation) would help to make an informed decision. Ms. Scott concurred stating that the committee should go back to existing statute, existing governance structure, the WAPAC meeting goals and use that as a foundation prior to making a decision for a permitting structure. Ms. Crawley responded that a committee process should help to identify who would do what, and perhaps a memorandum of agreement would be developed in terms of what gets done and where the gaps are. She noted that when the WRB gets to the basin studies and we can define an approach to safe yield that is part of what the basin studies are helping us to figure out in greater detail around ground water then we can start to answer some of these questions. In terms of the smaller issue as to who does what and how does it work now and what are the gaps, that's a pretty easy piece. The longer term question about what is the future pressure and stress points and where we are approaching safe yield, that is going to take more time. There being no consensus on the recommendation, the language or the actions needed, further discussion was tabled until the January 8 WAPAC meeting.

Mr. Harold Ward recommended that prior to the next meeting a report of what exists in relation to the remaining recommendations be prepared as a framework for making recommendations. Ms. Good concurred suggesting that a review of existing goals in the legislation be used to develop a management scheme and to evaluate the existing governance including the specific recommendations. The purpose of the document will be to assist members by providing a structure for the recommendations. She recommended that the document be forwarded to committee members prior to the next meeting.

Mr. Mariscal summarized the actions taken on the "21 Priority Recommendations" during today's meeting noting not all recommendations had been discussed. A second meeting to conclude today's business will be held on January 8, 2004. Mr. Stamp made a motion to adjourn the meeting. After the motion was seconded, the meeting adjourned at 11:55 AM.

Respectfully submitted,

Beverly O'Keefe, Supervising Planner
RI Water Resources Board